



# Public Service Commission of Wisconsin

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## STATEMENT

### **On the FCC Decision on Voice over Internet Protocol From Chairperson Burnie Bridge Public Service Commission of Wisconsin November 9, 2004**

“The Federal Communications Commission decision to pre-empt state authority over Voice over Internet Protocol is not unexpected but leaves important issues like consumer protection and public safety unanswered. I encourage the FCC to move forward in addressing these key public policy goals and to look to the states as partners in developing a system that makes this new technology a reality for consumers, while assuring them quality service and safety protections.”

#### **BACKGROUND:**

The Federal Communications Commission announced a decision today that the new technology, Voice over Internet Protocol (VoIP), is an interstate service and regulated at the federal level.

Last July, the Public Service Commission of Wisconsin submitted comments to the FCC proposing that the federal commission allow states authority over VoIP in selected areas including consumer protection and safety, like 911. Most other state commissions took similar positions, seeking authority over VoIP for consumer and safety issues, but not seeking jurisdiction over the economic regulation of rates or earnings of the new technology.

The FCC decision today pre-empts state authority over VoIP, although the decision recognizes the need to address consumer protection issues and safety concerns.

VoIP is a technology that uses the Internet to transmit calls. VoIP service requires a broadband Internet connection in order to operate. It is equally compatible with DSL, cable modems, and wireless broadband access, such as Wi-Fi.

A caller using VoIP needs a special telephone adaptor that converts the caller's voice into digital packets to be sent over the Internet as data, using the same process as e-mail or video transmission. If the VoIP-originated call goes to another customer that subscribes to VoIP, the VoIP provider completes the call over the Internet to the called party's converter, where the digital signal is reassembled into analog sound. If the dialed number does not belong to a VoIP customer, the call is directed to a network service provider partner (*e.g.* an IXC, CLEC, or LEC) which converts the digital data to analog signals and routes the call to the called party,

(END)